

HUMAN SERVICES
DIVISION OF FAMILY DEVELOPMENT

Program Administration
Standard of Need

Reproposed New Rule: N.J.A.C. 10:84-1.6

Authorized By: Gwendolyn L. Harris, Commissioner,
Department of Human Services

Authority: N.J.S.A. 30:1-12 and P.L. 1997, c.13

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2002-438

Submit comments by February 14, 2003 to:

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The agency proposal follows:

Summary

As the Department is providing a 60-day comment period on this notice of proposal, this notice is excepted from the rulemaking calendar requirement pursuant to N.J.A.C. 1:30-3.5(a)5.

The amendment of Section 402 of the Social Security Act by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) removed from Federal law the obligation of states to establish a standard of need as a measure for determining the level of assistance payable to eligible individuals. However, P.L. 1997, c.13 requires the Commissioner of the Department of Human Services to establish, by regulation, a standard of need and update the standard annually. The standard of need is to be used only as a benchmark against which the Legislature may decide on appropriations to fund cash assistance benefits to recipients. The standard of need is defined at N.J.S.A. 44:10-34 as the minimum amount of income and in-kind benefits or services needed by families and single persons living in New Jersey in order to maintain a decent and healthy standard of living, as established by the Commissioner, and shall include necessary items such as housing, utilities, food, work-related transportation, clothing and personal and household essentials.

Please note that a proposal regarding the Standard of Need was published in the January 7, 2002 issue of the N.J. Register at 34 N.J.R. 9(a), but, as a result of the comments that were received, which indicated that the amounts were too low, the Department will let that proposal expire. Commenters indicated that the standard of need is unrealistic and inadequate. The amounts need to be increased in order to maintain a decent and healthy standard of living in New Jersey. The standards need to include a more realistic cost of all items comprising the basic needs.

The standard of need, which was initially established in 1990, contains four categories which, when added together, comprise the standard of need amount. These categories are housing, food, transportation, and miscellaneous expenses. The explanation on how the standard of need is determined is explained below.

As a result of comments received, it was suggested that a more accurate reflection of the Standard of Need could be determined by using just four categories to calculate the need by consolidating personal care, household supplies and apparel and upkeep into the miscellaneous category. In addition, telephone has been added into the miscellaneous category.

The housing costs are calculated using the highest United States Department of Housing and Urban Development Fair Market Rental (FMR) value for New Jersey, the Bergen-Passaic Metropolitan Statistical Area which is a 50th percentile FMR. Based on comments received, it was determined that using the highest statistical metropolitan area is more reflective of the actual housing costs.

Food allowances are based on the 2001 USDA Low Cost Food Plan, and reflect weighted composite families representative of the current caseload. Future updates can be revised to match a changing caseload.

Commenters suggested that a more realistic way to determine the standard of need was to have transportation costs as a separate category. Transportation costs are calculated using the NJ Transit 2 zone bus pass amount of \$54.00 per month and adding an additional \$27.00 for each additional family member to cover the cost of children utilizing public transportation services.

Miscellaneous expenses include clothing, paper products, baby products, cleaning supplies, household items, nonprescription items, personal hygiene, and telephone. Miscellaneous costs are determined by adding the costs of housing, food and transportation and taking 15 percent of that total.

Each year the Department of Human Services will provide through a notice of administrative change published in the New Jersey Register, an updated standard of need determined in accordance with the methodology mentioned above.

Social Impact

The standard of need contained in the proposed new rule serves only as a benchmark against which the Legislature can decide on appropriations for funding payment levels in public assistance programs. Eligibility for benefits for those individuals presently in receipt of or applying for benefits will not be affected by the proposed new rule.

Additionally, the new rule will neither create new cases nor will it result in increased payments to the cases currently in receipt of benefits.

Economic Impact

Since the standard of need has no direct effect on the level of payments made in the WFNJ program, there is no economic impact associated with the proposed new rule.

Federal Standards Statement

Federal law no longer requires a standard of need; therefore, a Federal standard analysis is not applicable to this rulemaking.

Jobs Impact

It is the position of the Department that the proposed new rule would not result in the generation or loss of jobs.

Agriculture Industry Impact

The proposed new rule has no impact on the agriculture industry.

Regulatory Flexibility Statement

The proposed new rule has been reviewed with regard to the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. The new rule imposes no reporting, recordkeeping or other compliance requirements on small businesses; therefore, a regulatory flexibility analysis is not required. The rules govern a public assistance program designed to certify eligibility under the WFNJ program for a low-income population by a governmental agency rather than a private business establishment.

Smart Growth Impact

The proposed new rule will have no impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan.